

**RESOLUTION 15-94**

**A RESOLUTION TO EXTEND CONTRACT FOR SOLID WASTE  
COLLECTION SERVICES**

**WHEREAS**, the contract for Solid Waste Collection expires on November 30, 2015; and

**WHEREAS**, City Staff and the Budget and Finance Advisory Committee have reviewed current pricing and solid waste collection services performance over the past three years and recommends that in the best interests of the City it is preferable to extend the current contract;

**NOW, THEREFORE BE IT RESOLVED**, that the Board of Mayor and Aldermen accept the recommendation of City Staff and the Budget and Finance Advisory Committee to extend the current contract with Waste Management for Recycling and Solid Waste Collection Services for the City of Spring Hill.

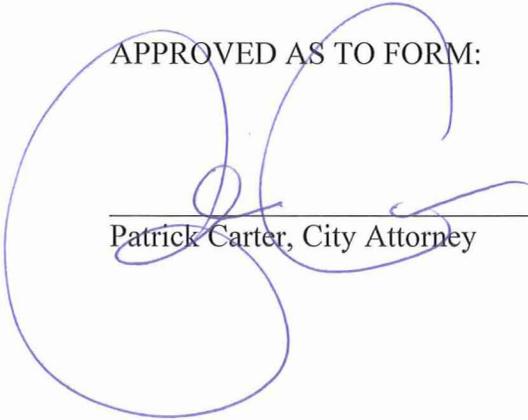
**Passed and adopted by the Board of Mayor and Aldermen of the City of Spring Hill, Tennessee, this 17th day of August 2015.**

  
\_\_\_\_\_  
Rick Graham, Mayor

ATTEST:

  
\_\_\_\_\_  
April Goad, City Recorder

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Patrick Carter, City Attorney

## CONTRACT

THIS CONTRACT, made and entered into this 15<sup>th</sup> day of November, 2012, by and between the City of Spring Hill, (hereinafter called the "City"), and Waste Management (hereinafter called "Contractor").

### WITNESSETH:

WHEREAS, the Contractor did on the 3<sup>rd</sup> day of August, 2012, submit a Proposal to provide Solid Waste Collection Services within the City and to perform such work as may be incidental thereto.

NOW, THEREFORE, in consideration of the following mutual agreements and covenants, it is understood and agreed by and between the parties hereto as follows:

1. The Contractor is hereby granted a contract for services within the territorial jurisdiction of the City and shall furnish all personnel, labor, equipment, trucks, and all other items necessary to provide Solid Waste Collection Services as specified and to perform all of the work called for and described in the Contract Documents.
2. The term of this contract will begin December 1, 2012 through November 30, 2015 for a period of three years.
3. The Contract Documents shall include the following documents, and this Contract does hereby expressly incorporate same herein as fully as if set forth verbatim in this Contract:
  - a. The Request for Proposals.
  - b. The Instructions to Bidders.
  - c. The Contractor's Proposal.
  - d. The General Specifications.
  - e. The resolution of the City ordering or authorizing the work and services contemplated herein.
  - f. The Performance Bond.
  - g. This instrument.
  - h. Any addenda or changes to the foregoing documents agreed to by the parties hereto.
4. All provisions of the Contract Documents shall be strictly complied with and conformed to by the Contractor, and no amendment to this Contract shall be made except upon the written consent of the parties, which consent shall not be unreasonably withheld. No amendment shall be construed to release either party from any obligation of the Contract Documents except as specifically provided for in such amendment.
5. This Contract is entered into subject to the following conditions:
  - a. The Contractor shall procure and keep in full force and effect throughout the term of this Contract all of the insurance policies specified in, and required by, the Contract Documents.
  - b. Neither the Contractor nor the City shall be liable for the failure to perform their duties if such failure is caused by a catastrophe, riot, war, governmental order or regulation, strike, fire, accident, act of God or

other similar or different contingency beyond the reasonable control of the Contractor.

- c. In the event that any provision or portion thereof of any Contract Document shall be found to be invalid or unenforceable, then such provision or portion thereof shall be reformed in accordance with the applicable laws. The invalidity or unenforceability of any provision or portion of any Contract Document shall not affect the validity or enforceability of any other provision or portion of the Contract Documents.

6. IN WITNESS WHEREOF, we, the contracting parties, by our duly authorized agents, hereto affix our signatures and seals at \_\_\_\_\_, \_\_\_\_\_, as of this 15<sup>th</sup> day of November, 2012.

CITY OF SPRING HILL, TENNESSEE

By:

Mayor

City Attorney

City Recorder

SEAL OF THE CITY OF  
SPRING HILL, TENNESSEE

By:

"Contractor"

SEAL

**MEMORANDUM OF UNDERSTANDING**

This document is a memorandum of understanding regarding the current waste collection contract between the City of Spring Hill TN (City) and Waste Management Incorporated of Tennessee (WM).

**Subject:** 2014 Contract Rate adjustment and future increases.

**History:** The previous 'old' contract ended 9/30/2012. The City placed the Contract out for Bid and WM was again selected as vendor for these services. The 'new' contract was to have started 10/1/2012, then got delayed two months until 12/1/2012. Both parties agreed we would not change any rates from the old contract to the new contract rates until 4/1/2013 which is when curbside residential recycling was officially able to be implemented into the new contract after a period in which the City was deciding whether to add recycling or not due to a long and public debate about whether the award in October of 2012 was in the best interest of the community.

The 2012 Bid sheet had the following language relative to a rate change:  
*On October 1 of each contract year the rates will be changed to reflect any increase in the Consumer Price Index –*

*All Urban Consumers, U.S. (ID# CUUR0000SA0)*

*The calculation will be an average of the 12 months [July – June] before October.*

*This percentage will be available to the City in mid July of each year.*

*WM will also provide an estimated percentage in May to the City for budget.*

Therefore, at the time point of April 1, 2013 the contract rate needed to be adjusted in accordance with the index bid. However, the time period needed to be adjusted to a closer one for the benefit of both parties relative to current economic conditions. The decision to have a CPI closer to the rate effective date (which is now April 1 yearly), was to use a JAN-DEC period which would actually be the calendar year average. This index would then be available each mid-January.

2014 Adjusted Rate language:

*On April 1 of each contract year the rates will be changed to reflect any increase in the Consumer Price Index –*

*All Urban Consumers, U.S. (ID# CUUR0000SA0)*

*The calculation will be an average of the 12 months [Jan – Dec] before April.*

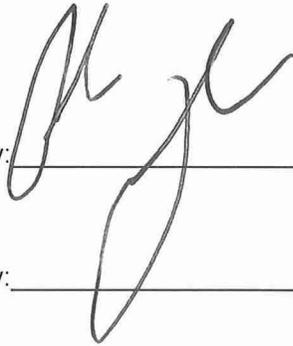
*This percentage will be available to the City in mid January of each year.*

On April 1, 2014 the Rates charged in the 'new' contract were increased 1.5% to reflect this change from the original bid document. Each year the contract is in effect the rates will be adjusted (either as a decrease or increase) per the language described above.

Agreed as follows –

City of Spring Hill TN

by:



date:

*7/2/2014*

Waste Management Inc. of TN

by:

date:

Spring Hill Tennessee  
Pricing for April 1, 2015 through March 31, 2016

**Residential [Curbside] per unit** \$13.81 TRASH weekly customer can AND RECYCLING\* every other week with a 96 gallon cart provided.  
\* Recycling comes with the RecycleBank Rewards Incentive Program.

**Residential [Curbside] per unit** \$10.03 TRASH only for those units that are unable to recycle where the truck cannot service.

**Commercial Hand Pick Up**

|                       |                               |                                |
|-----------------------|-------------------------------|--------------------------------|
| ½ cubic yard account  | \$10.03 per month trash only. | \$5.16 per cart for recycling. |
| 1 cubic yard account  | \$17.24 per month trash only. | \$5.16 per cart for recycling. |
| 1½ cubic yard account | \$24.46 per month trash only. | \$5.16 per cart for recycling. |

**Commercial frontload service**

Prices are monthly totals for weekly service and include rental

| One container    | 1X       | 2X       | 3X       | 4X       | 5X         | 6X         |
|------------------|----------|----------|----------|----------|------------|------------|
| 2 yd             | \$51.40  | \$87.46  | \$123.52 | \$0.00   | \$159.58   | \$231.71   |
| 4 yd             | \$60.40  | \$105.49 | \$150.56 | \$195.65 | \$285.81   |            |
| 6 yd             | \$81.14  | \$146.95 | \$212.78 | \$278.01 | \$410.23   |            |
| 8yd              | \$102.78 | \$190.24 | \$277.70 | \$365.15 | \$540.06   | \$696.58   |
|                  |          |          |          |          |            |            |
| Two containers   | 1X       | 2X       | 3X       | 4X       | 5X         |            |
| 2 yd             | \$87.38  | \$148.68 | \$209.98 | \$271.30 | \$393.90   |            |
| 4 yd             | \$102.70 | \$179.33 | \$255.96 | \$332.60 | \$485.88   |            |
| 6 yd             | \$137.93 | \$249.82 | \$361.72 | \$472.61 | \$697.38   |            |
| 8yd              | \$174.72 | \$323.40 | \$472.09 | \$620.76 | \$918.11   | \$1,184.19 |
|                  |          |          |          |          |            |            |
| Three Containers | 1X       | 2X       | 3X       | 4X       | 5X         |            |
| 2 yd             | \$115.64 | \$196.78 | \$277.92 | \$359.07 | \$521.35   |            |
| 4 yd             | \$135.91 | \$237.36 | \$338.76 | \$440.21 | \$643.08   |            |
| 6 yd             | \$182.57 | \$330.66 | \$478.75 | \$625.52 | \$923.02   |            |
| 8yd              | \$231.25 | \$428.03 | \$624.82 | \$821.59 | \$1,215.15 | \$1,868.15 |

For a 1 container account needing only every other week service; monthly rates are: 2 yd=\$30.84, 4yd=\$36.24, 6yd=\$48.67, 8yd=\$61.67

For any extra service needed; per pick up rates are: 2yd=\$36.10, 4yd=\$56.72, 6yd=\$77.35, 8yd=\$97.97

For accounts with more than three containers, add the three container matrix with the matrix needed to obtain the correct number of units in place.

RATE ADJUSTMENTS - term period modified from original bid in accordance with negotiation between parties.

On April 1 of each contract year the rates will be changed to reflect any change in the Consumer Price Index –

All Urban Consumers, U.S. (ID# CUUR0000SA0)

The calculation will be an average of the 12 months [Jan – Dec] before April.

This percentage will be available to the City in mid Jan of each year.

## Solid Waste Collection Service Matrix

| Residential       |    |  |       |                                       |       |  |          |                   |       |                       |        |      |  |        |      |          |  |
|-------------------|----|--|-------|---------------------------------------|-------|--|----------|-------------------|-------|-----------------------|--------|------|--|--------|------|----------|--|
|                   |    | Waste Management                         |       | RR Waste Solutions                    |       | BFI dba Allied Waste                     |          | Waste Industries  |       | Waste Industries Alt. |        |      |  |        |      |          |  |
|                   |    | Change in Pricing                        |       | Change in Pricing                     |       | Change in Pricing                        |          | Change in Pricing |       | Change in Pricing     |        |      |  |        |      |          |  |
| Current Pricing   | \$ | \$                                       | 9.72  | (\$0.09)                              | \$    | 9.20                                     | (\$0.61) | \$                | 9.65  | (\$0.16)              | \$     | 9.32 | (\$0.49)   | *** \$ | 8.83 | (\$0.98) |  |
| Recycling         |    | * \$                                     | 3.67  |                                       | ** \$ | 1.50                                     |          | * \$              | 3.00  |                       | No bid |      | No bid   |        |      |          |  |
| Total Residential |    | \$                                       | 13.39 |                                       | \$    | 10.70                                    |          | \$                | 12.65 |                       | No bid |      | *** Standard pick-up with cart provided to cust. @ no charge |        |      |          |  |
|                   |    | * Pick-up every other week-cart included |       | ** Pick-up monthly with cart included |       | * Pick-up every other week-cart included |          |                   |       |                       |        |      |  |        |      |          |  |

| Commercial |    |                      |    |                      |            |                      |        |                       |    |                            |           |                      |        |                      |    |                      |           |
|------------|----|----------------------|----|----------------------|------------|----------------------|--------|-----------------------|----|----------------------------|-----------|----------------------|--------|----------------------|----|----------------------|-----------|
|            |    | Waste Management     |    | RR Waste Solutions   |            | BFI dba Allied Waste |        | **** Waste Industries |    | **** Waste Industries Alt. |           |                      |        |                      |    |                      |           |
|            |    | Hand Pick-Up         |    | Hand Pick-Up         |            | Hand Pick-Up         |        | Hand Pick-Up          |    | Hand Pick-Up               |           |                      |        |                      |    |                      |           |
|            |    | Each                 |    | Each                 |            | Each                 |        | Each                  |    | Each                       |           |                      |        |                      |    |                      |           |
| 1/2 CY     | \$ | 17.51                | \$ | 9.72                 | (\$7.79)   | \$                   | 12.00  | (\$5.51)              | \$ | 16.88                      | (\$0.63)  | \$                   | 16.82  | (\$0.69)             | \$ | 16.82                | (\$0.69)  |
| 1 CY       | \$ | 20.09                | \$ | 16.72                | (\$3.37)   | \$                   | 24.00  | \$3.91                | \$ | 19.88                      | (\$0.21)  | \$                   | 16.82  | (\$3.27)             | \$ | 16.82                | (\$3.27)  |
| 1-1/2 CY   | \$ | 22.66                | \$ | 23.72                | \$1.06     | \$                   | 36.00  | \$13.34               | \$ | 22.00                      | (\$0.66)  | \$                   | 16.82  | (\$5.84)             | \$ | 16.82                | (\$5.84)  |
|            |    | One Container 1 x WK |    | One Container 1 x WK |            | One Container 1 x WK |        | One Container 1 x WK  |    | One Container 1 x WK       |           | One Container 1 x WK |        | One Container 1 x WK |    | One Container 1 x WK |           |
| 2 yd       | \$ | 75.51                | \$ | 49.84                | (\$25.67)  | \$                   | 43.30  | (\$32.21)             | \$ | 59.32                      | (\$16.19) | \$                   | 76.31  | \$0.80               | \$ | 72.29                | (\$3.22)  |
| 4 yd       | \$ | 88.75                | \$ | 58.58                | (\$30.17)  | \$                   | 86.60  | (\$2.15)              | \$ | 118.64                     | \$29.89   | \$                   | 89.69  | \$0.94               | \$ | 84.97                | (\$3.78)  |
| 6 yd       | \$ | 119.22               | \$ | 78.68                | (\$40.54)  | \$                   | 129.90 | \$10.68               | \$ | 177.96                     | \$58.74   | \$                   | 120.48 | \$1.26               | \$ | 114.14               | (\$5.08)  |
| 8 yd       | \$ | 151.01               | \$ | 99.66                | (\$51.35)  | \$                   | 173.20 | \$22.19               | \$ | 237.28                     | \$86.27   | \$                   | 152.61 | \$1.60               | \$ | 144.58               | (\$6.43)  |
|            |    | One Container 2 x WK |    | One Container 2 x WK |            | One Container 2 x WK |        | One Container 2 x WK  |    | One Container 2 x WK       |           | One Container 2 x WK |        | One Container 2 x WK |    | One Container 2 x WK |           |
| 6 yd       | \$ | 215.92               | \$ | 142.51               | (\$73.41)  | \$                   | 259.80 | \$43.88               | \$ | 355.93                     | \$140.01  | \$                   | 218.21 | \$2.29               | \$ | 206.72               | (\$9.20)  |
| 8 yd       | \$ | 279.50               | \$ | 184.47               | (\$95.03)  | \$                   | 346.40 | \$66.90               | \$ | 474.57                     | \$195.07  | \$                   | 282.46 | \$2.96               | \$ | 267.59               | (\$11.91) |
|            |    | One Container 5 x WK |    | One Container 5 x WK |            | One Container 5 x WK |        | One Container 5 x WK  |    | One Container 5 x WK       |           | One Container 5 x WK |        | One Container 5 x WK |    | One Container 5 x WK |           |
| 8 yd       | \$ | 793.49               | \$ | 523.70               | (\$269.79) | \$                   | 866.00 | \$72.51               | \$ | 1,186.42                   | \$392.93  | \$                   | 801.90 | \$8.41               | \$ | 759.69               | (\$33.80) |

|                      |    |            |           |            |           |            |           |            |    |            |    |  |  |  |
|----------------------|----|------------|-----------|------------|-----------|------------|-----------|------------|----|------------|----|--|--|--|
|                      |    |            |           |            |           |            |           |            |    |            |    | **** Plus rental of container: \$10 for 2 yd; \$12 for 4 yd<br>\$14 for 6 yd and \$16 for 8 yd per month |  |  |
| Typical Monthly Bill |    |            |           |            |           |            |           |            |    |            |    |  |  |  |
| Garbage Only         | \$ | 123,698.32 | \$        | 114,146.10 | \$        | 120,505.00 | \$        | 135,351.96 | \$ | 119,017.20 | \$ | 112,771.82   |  |  |
| Garbage + Recycling  |    | \$         | 53,646.10 | \$         | 43,505.00 | \$         | 68,851.96 |            |    |            |    |  |  |  |